

# **Carl Moyer Memorial Air Quality Standards Attainment Program**

## **AUDIT REPORT**

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### **Glenn County Air Pollution Control District Fiscal Years 2005/2006 – 2007/2008**

**Prepared by: Mobile Source Control Division  
Air Resources Board  
October 2009**

#### **Acknowledgements**

The Air Resources Board (ARB) audit team wishes to thank the participating Glenn County Air Pollution Control District management and staff: Mark Black and Ian Ledbetter

The ARB staff included:

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## Introduction

As part of the Air Resources Board's (ARB) ongoing review of the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program or CMP), ARB staff audited the Glenn County Air Pollution Control District (Glenn APCD or District). The audit began in May 2009 with an entrance interview held on May 7, 2009, and was conducted in accordance with the "Audit Process for Rural Districts" in ARB's Audit Policies and Procedures. These procedures are viewable at ARB's website: <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>. The Audit reviewed program fundamentals; examined the use of public funds; and assessed whether emission reductions were real, quantifiable, and surplus. ARB conducted this review of the District's Carl Moyer Program as part of its program oversight responsibility specified in Health and Safety Code section 44291(d). The exit interview, reviewing the audit findings and recommendations was held on July 16, 2009.

### 1. Overall Assessment

ARB found that the Carl Moyer Program, as implemented by the Glenn APCD, is achieving the expected emission reductions and is generally in compliance with State requirements. The audit resulted in two findings: 1) the District funded an ineligible project and 2) the District did not adequately document inspections. In the first finding, an off-road project funded with Fiscal Year (FY) 2005/2006 did not meet the required emission reduction levels and, therefore, was ineligible. To mitigate this finding, the District proposes to fund a Moyer-eligible project of equal value with District funds. In the second finding, the District did not adequately document inspections. The District has updated their inspection form to include the required information; therefore, no further mitigation is required (see Table 4 below).

### 2. Scope of the Audit: FY 2005/2006 through FY 2007/2008

The scope of the audit covered fiscal years 2005/2006, 2006/2007, and 2007/2008. During this period, the District accepted the Carl Moyer Program's minimum allocations and obtained waivers of the match funding requirement. The District also accepted Carl Moyer Program funds administered through the Rural Assistance Program [CMP(RAP)] funds in FY 2005/2006. Table 1 identifies the project and administration funds the District received for both the CMP and CMP(RAP).

Table 1: Glenn County APCD Programs and Funds

FY	Program	Project	Administration	Total Grant
2005/2006	CMP	\$200,000.00	\$4,630.00	\$204,630.00
2005/2006	CMP(RAP)	\$140,019.00	\$1,306.50	\$141,325.50
2006/2007	CMP	\$180,000.00	\$20,000.00	\$200,000.00
2007/2008	CMP	\$180,000.00	\$20,000.00	\$200,000.00

Note: Interest not included in table

### 3. Summary of District Projects Funded and Selected for File Review

The District funded projects in three source categories during the scope of this audit: off-road, on-road, and agricultural pumps. Table 2 lists a summary of the projects funded by the District with CMP(RAP), CMP, and interest funds.

Table 2: Glenn County APCD Carl Moyer Projects

Program	Source Category	FY 2005/2006	FY 2006/2007	FY 2007/2008	Total
CMP	Ag pump	19	23	18	60
	Off-road	2	0	0	2
	On-road	0	0	2	2
CMP(RAP)	Ag pump	9	0	0	9
CMP(RAP)	On-Road	1	0	0	1
Interest	Ag-Pump	0	1	0	1
Total		31	24	20	75

Table 3 provides a list of project files reviewed by the audit team. These files were selected to provide a sample of the District's projects. Seven projects were selected: one off-road project, four agricultural pumps, and two on-road projects. Projects were a mix of CMP(RAP), CMP, and interest funded projects.

Table 3: List of Projects Reviewed

Project Name	FY	Funding Source	Source Category
Big W E 6	2005/2006	CMP	Ag pump
Martin's Dairy	2005/2006	CMP	Off-Road Construction
Creekside Farms	2006/2007	CMP/Interest	Ag pump
Stony Creek West	2007/2008	CMP	Ag pump
Truck # 79	2007/2008	CMP	On-road
Strickland Pump 1	2005/2006	CMP(RAP)	Ag pump
Truck 11	2005/2006	CMP(RAP)	On-road

### 4. Findings, Conditions, and Required Actions

Table 4 describes the audit findings, conditions, and required district actions.

"Findings" are brief descriptions of District's practices that are inconsistent with one or more of the following:

- State requirements under Health and Safety Code sections 44275 through 44299.2.
- Carl Moyer Program Guidelines (2003 and 2005 versions) (<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>).
- Carl Moyer Program advisories.
- Grant Award and Authorization requirements.
- Glenn's APCD's written policies and procedures, including its contracts with the engine owners/grant recipients.

“Conditions” are the more detailed descriptions of the Districts’ practices observed by ARB audit staff during the audit. “Required Actions” are the minimum actions the District must take to mitigate the findings.

Table 4: Findings, Conditions, and Required Action

<b>Finding: 1</b>	<b>Ineligible project funded</b>	<b>Required Action</b>
Condition	The 2005 Carl Moyer Guidelines [Chapter 5, Section V (C)] require that replacement engines used in repower projects be certified to meet the current applicable emission standards. A FY 2005/2006 project, Martin’s Dairy, was repowered with an uncertified engine; and, therefore, was ineligible for funding. The invoice indicated that the work done was a “long block” rebuild and the project file did not include evidence that this rebuild was emissions certified. In addition, non-original equipment manufacturer repower projects must follow requirements to establish functional equivalency, per Appendix G of the Carl Moyer Program Guidelines. The project file did not include any of this documentation.	The District proposed to use non-CMP District funds to fund a CMP-eligible project(s) equal to the amount of funding the Martin’s Dairy project received. This is scheduled to occur within the next two fiscal years. ARB has approved this mitigation plan and the District must report quarterly on the progress until this finding has been fully mitigated.
<b>Finding: 2</b>	<b>Inadequate documentation of inspections</b>	<b>Required Action</b>
Condition	Inspection forms with specific information were required to be used in the 2005 Carl Moyer Guidelines [Program Administration, Section IX (A) and (B)]. Up until FY 2007/2008 (Year 10), the District inspectors photographed a white board showing some engine information beside the engine to document project information. These photos, however, did not provide all the required information. The District is now using appropriate forms.	No mitigation is required.

## 5. Recommendations

The District should consider improving the current implementation of the Program as noted in Table 5. These recommendations do not require a response from the District, although it may choose to comment in its written response to this audit report.

Table 5: Audit Recommendations

<b>Recommendation 1: Assign contract identification numbers to contracts</b>
To facilitate project tracking, the District should consider assigning each contract a unique identification number, rather than just using a project name. This will help prevent confusion for District staff and outside reviewers. Unique numbering also helps to identify different projects from the same applicant.

## 6. Resources

1. Air Resources Board Carl Moyer Program Website  
<http://www.arb.ca.gov/msprog/moyer/moyer.htm>
2. Air Resources Board Incentives Oversight Audit Website  
(Includes previous reports and Audit Policies and Procedures)  
<http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>